

differences and coming together in goodwill. Recognizing that there is still much work to be done, let us build on this success and nurture love and caring in our world, in our neighborhoods, and in our homes. With this commit-

ment, we can all share in the fulfillment of the Christmas promise.

Hillary joins me in wishing you joy and peace this Christmas.

BILL CLINTON

Statement on the California Bay Delta Agreement

December 15, 1994

When I campaigned for President, I said many times that environmental protection and economic growth can go hand in hand.

Today's historic Bay Delta agreement demonstrates that this goal can be achieved. It resolves one of the most contentious and important public policy issues affecting the State of California. It puts an end to a bitter conflict that has persisted for decades.

This is a solution that serves all the people of California. It means farmers will have a reliable supply of water to grow their crops; that commercial and sport fishermen will have reliable supplies of fish; that cities in California will have consistent, predictable supplies of water at reasonable rates; and that those who love the outdoors will find places throughout northern California with fish, birds, and clean, fresh water.

Under the leadership of Secretary Babbitt and Administrator Browner, the Federal Govern-

ment aggressively faced up to its responsibilities, took a process that had previously failed, and made it work. We made certain all the Federal agencies worked together, not at cross purposes; we challenged our scientists to create new ways of using water more efficiently; and we invited all stakeholders to take responsibility for a comprehensive solution.

The result is an innovative plan that protects both water quality and water supplies; that enhances environmental and economic progress; and that provides the certainty necessary for water users to plan well into the future. It demonstrates that, with strong leadership and a cooperative spirit, environmental laws can be properly and productively enforced.

This historic agreement is good for economic growth, good for the environment, and good for California and the Nation.

Address to the Nation on the Middle Class Bill of Rights

December 15, 1994

Good evening. My fellow Americans, ours is a great country with a lot to be proud of. But at this holiday season, everybody knows that all is not well with America, that millions of Americans are hurting, frustrated, disappointed, even angry. In this time of enormous change, our challenge is both political and personal. It involves Government, all right, but it goes way beyond Government, to the very core of what matters most to us. The question is, what are we going to do about it?

Let's start with the economic situation. I ran for President to restore the American dream

and to prepare the American people to compete and win in the new American economy. For too long, too many Americans have worked longer for stagnant wages and less security. For 2 years, we pursued an economic strategy that has helped to produce over 5 million new jobs. But even though the economic statistics are moving up, most of our living standards aren't. It's almost as if some Americans are being punished for their productivity in this new economy. We've got to change that. More jobs aren't enough. We have to raise incomes.

Fifty years ago an American President proposed the GI bill of rights to help returning veterans from World War II go to college, buy a home, and raise their children. That built this country. Tonight I propose a middle class bill of rights.

There are four central ideas in this bill of rights: First, college tuition should be tax deductible. Just as we make mortgage interest tax deductible because we want people to own their own homes, we should make college tuition deductible because we want people to go to college. Specifically, I propose that all tuition for college, community college, graduate school, professional school, vocational education, or worker retraining after high school be fully deductible, phased up to \$10,000 a year for families making up to \$120,000 a year. Education, after all, has a bigger impact on earnings and job security than ever before. So let's invest the fruits of today's recovery into tomorrow's opportunity.

Second, bringing up a child is a tough job in this economy. So we should help middle class families raise their children. We made a good start last year by passing the family leave law, making college loans more affordable, and by giving 15 million American families with incomes of \$25,000 a year or less an average tax cut of more than \$1,000 a year. Now I want to cut taxes for each child under 13, phased up to \$500 per child. This tax cut would be available to any family whose income is less than \$75,000.

Third, we should help middle income people save money by allowing every American family earning under \$100,000 to put \$2,000 a year tax-free in an IRA, an individual retirement account. But I want you to be able to use the money to live on, not just retire on. You'll be able to withdraw from this fund, tax-free, money for education, medical expenses, the purchase of a first home, the care of an elderly parent.

Fourth, since every American needs the skills necessary to prosper in the new economy—and most of you will change jobs from time to time—we should take the billions of dollars the Government now spends on dozens of different training programs and give it directly to you, to pay for training if you lose your job or want a better one.

We can pay for this middle class bill of rights by continuing to reduce Government spending, including subsidies to powerful interests based

more on influence than need. We can sell off entire operations the Government no longer needs to run and turn dozens of programs over to States and communities that know best how to solve their own problems.

My plan will save billions of dollars from the Energy Department, cut down the Transportation Department, and shrink 60 programs into 4 at the Department of Housing and Urban Development. Our reinventing Government initiative, led by Vice President Gore, already has helped to shrink bureaucracy and free up money to pay down the deficit and invest in our people. Already, we've passed budgets to reduce the Federal Government to its smallest size in 30 years and to cut the deficit by \$700 billion. That's over \$10,000 for every American family. In the next few days, we'll unveil more of our proposals. And I've instructed the Vice President to review every single Government department program for further reductions.

We've worked hard to get control of this deficit after the Government debt increased 4 times over in the 12 years before I took office. That's a big burden on you. About 5 percent of your income tax goes to pay for welfare and foreign aid, but 28 percent of it goes to pay for interest on the debt run up between 1981 and the day I was inaugurated President. I challenge the new Congress to work with me to enact a middle class bill of rights without adding to the deficit and without any new cuts in Social Security or Medicare.

I know some people just want to cut the Government blindly, and I know that's popular now. But I won't do it. I want a leaner, not a meaner Government, that's back on the side of hard-working Americans, a new Government for the new economy—creative, flexible, high quality, low cost, service oriented—just like our most innovative private companies.

I'll work with the new Republican majority and my fellow Democrats in Congress to build a new American economy and to restore the American dream. It won't be easy. Believe you me, the special interests have not gone into hiding just because there was an election in November. As a matter of fact, they're up here stronger than ever. And that's why, more than ever, we need lobby reform, campaign finance reform, and reform to make Congress live by the laws it puts on other people.

Together, we can pass welfare reform and health care reform that work. I'll say more about

what I'll do to work with the new Congress in the State of the Union Address in January.

But here's what I won't do: I won't support ideas that sound good but aren't paid for, ideas that weaken the progress we've made in the previous 2 years for working families, ideas that hurt poor people who are doing their dead-level best to raise their kids and work their way into the middle class, ideas that undermine our fight against crime or for a clean environment or for better schools or for the strength and well-being of our Armed Forces and foreign policy. In other words, we must be straight with the American people about the real consequences of all budgetary decisions.

My test will be: Does an idea expand middle class incomes and opportunities? Does it promote values like family, work, responsibility, and community? Does it contribute to strengthening the new economy? If it does, I'll be for it, no matter who proposes it. And I hope Congress will treat my ideas the same way. Let's worry about making progress, not taking credit.

But our work in Washington won't be enough. And that's where you come in. This all starts with you. Oh, we can cut taxes and expand opportunities, but governments can't raise your children, go to school for you, give your employees who have earned it a raise, or solve problems in your neighborhood that require your personal commitment. In short, government can't exercise your citizenship. It works the other way around.

The problems of this new world are complicated, and we've all got a lot to learn. That means citizens have to listen as well as talk. We need less hot rhetoric and more open conversation, less malice and more charity. We need to put aside the politics of personal destruction and demonization that have dominated too much of our debate. Most of us are good people trying to do better. And if we all treated each other that way, we would do better. We have got to be a community again.

Yes, some people do take advantage of the rest of us by breaking the law, abusing the welfare system, and flaunting our immigration laws. That's wrong, and I'm working to stop it. But the truth is that most people in this country,

without regard to their race, their religion, their income, their position on divisive issues, most Americans get up every day, go to work, obey the law, pay their taxes, and raise their kids the best they can. And most of us share the same real challenges in this new economy. We'll do a lot better job of meeting those challenges if we work together and find unity and strength in our diversity.

We do have more in common, more uniting us than dividing us. And if we start acting like it, we can face the future with confidence. I still believe deeply that there is nothing wrong with America that can't be fixed by what's right with America. This is not about politics as usual. As I've said for years, it's not about moving left or right but moving forward, not about Government being bad or good but about what kind of Government will best enable us to fulfill our God-given potential. And it's not about the next election, either. That's in your hands.

Meanwhile, I'm going to do what I think is right. My rule for the next 2 years will be: Country first and politics-as-usual dead last. I hope the new Congress will follow the same rule. And I hope you will, too.

This country works best when it works together. For decades after World War II, we gave more and more Americans a chance to live out their dreams. I know; I'm blessed to be one of them. I was born to a widowed mother at a time when my State's income was barely half the national average; the first person in my family to finish college, thanks to money my parents couldn't really afford—scholarships, loans, and a half a dozen jobs. It breaks my heart to see people with their own dreams for themselves and their children shattered. And I'm going to do all I can to turn it around. But I need your help. We can do it.

With all of our problems, this is still the greatest country in the world, standing not at the twilight but at the dawn of our greatest days. We still have a lot to be thankful for. Let's all remember that.

Happy holidays, and God bless America.

NOTE: The President spoke at 9 p.m. from the Oval Office at the White House.